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SENSITIVE
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WHA FOR BSC
SAN JOSE FOR USAID/OFDA TIM CALLAGHAN AND PHIL GELMAN

E.O. 12958: N/A

TAGS: PREL SENV EAID EAGR ECON SOCI UY

SUBJECT: URUGUAY: DROUGHT CONTINUES, BUT GOVERNMENT NOT YET
READY TO REQUEST FOREIGN ASSISTANCE

REF: 08 MONTEVIDEO 0685

¶1. (U) This cable is sensitive but unclassified, and not for
Internet distribution.

Summary:

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¶2. (SBU) Uruguay continues to suffer from a serious drought, but Deputy Chief of Staff Jorge Vazquez told Ambassador Baxter January 8 that the GOU does not yet consider it necessary to request international assistance. A recent USG donation of firefighting equipment was well received. The government is following closely the impact of the drought in the southern part of the country, particularly the impact on dairy farms. End Summary.

Drought Effects Widespread

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¶3. (U) Uruguay's second serious drought in three years continues unabated. Reftel detailed the drought's negative economic effects, which to date have been concentrated in the southern part of the country, but all of Uruguay is dry and the weather does not show any signs of offering relief. The GOU has purchased and installed over two hundred water storage tanks in affected areas, which it fills using a network of mobile tanker trucks. That system means that no Uruguayan is currently going without potable water, but livestock and crop losses continue. During this tourist season, the most visible manifestation of the dry conditions has been a constant outbreak of brush/forest fires, including some along the main coastal highway that temporarily blocked traffic. Massive locust hatches and swarms are also being reported.

USG Delivers Assistance, Offers Further Help

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¶4. (SBU) The ambassador contacted Deputy Chief of Staff of the Presidency Jorge Vazquez January 8 to follow up on the Embassy's recent (January 3) donation of aerial firefighting equipment, the most significant part of which consisted of four Bambi Buckets from USSOUTHCOM Humanitarian Assistance Funds. Responsible for overseeing Uruguay's equivalent of FEMA, Vazquez coordinates the GOU's response to natural and other disasters. Ambassador Baxter expressed the USG's willingness to help further to ameliorate the drought's effects on ordinary Uruguayans. Vazquez thanked the ambassador warmly for the rapid provision of firefighting equipment which arrived just as fires began to intensify along the coast. The GOU believes it can -- for the moment -- respond to this disaster without international assistance.

Note: the Embassy is coordinating closely with USAID/OFDA and USSOUTHCOM.

Government Focuses on Small & Medium-sized Producers

15. (U) Jorge Vazquez told Ambassador Baxter that the GOU's principal concern is for small and medium-sized farmers, especially dairy operations. Vazquez explained that most of Uruguay's larger farms and ranches invested in considerable pumping, irrigation, and water storage capacity after the last drought in 2006, and they are therefore not as severely affected by today's conditions. Smaller producers generally lack those assets, Vazquez said, and are suffering from shortages of both water and feed. The GOU is providing both of those essentials where needed, Vazquez said, and recipients are able to finance their purchase via zero-interest rate lines of credit established by the GOU. The GOU has also directed state-run Banco Republica to provide short-term zero-interest loans to farmers in need, according to Vazquez. He did not disclose the number of beneficiaries of either program.

Comment:

16. (SBU) The U.S. has already received significant public relations benefits attendant with our donation of firefighting equipment, with stories appearing in both print and television. We hope for further positive exposure from an upcoming event featuring Jorge Vazquez and the ambassador, at which the ambassador will formally hand over the equipment. Such benefits are not accruing to the GOU,

despite its efforts. Many agricultural producers (particularly the larger firms that are not receiving financial assistance) are indignant at what they characterize as a weak GOU response, and their attacks on the GOU (particularly the agriculture minister) have begun to resonate in the local media.

Baxter